

FINANCIAL STATEMENTS

□□□□ **For the year ended September 30, 1998**

The financial statements should be read with the following limitations in mind: (1) they have been prepared to report the financial position and results of operations of the Bank, pursuant to the requirements of the Chief Financial Officers Act of 1990; (2) while the statements have been prepared from the books and records of the Bank in accordance with the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources which are prepared from the same books and records; and (3) the statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources to do so.

Financial Statements

CONSOLIDATED BALANCE SHEET

For the year ended September 30, 1998
(Dollars in thousands)

ASSETS

Assets for Use by Entity:

Federal	
Fund Balance with Treasury (Note 2)	\$ 587,259
Non-Federal	
Credit Program Receivables, Net (Note 3)	<u>1,362,488</u>
Total Assets	\$ <u>1,949,747</u>

LIABILITIES

Liabilities Covered by Budgetary Resources:

Federal	
Accounts Payable	\$ 17,846
Debt (Note 4)	432,229
Non-Federal	
Unearned Revenue	71
Other Liabilities (Note 5)	<u>14,362</u>
Total Liabilities	<u>464,508</u>

COMMITMENTS AND CONTINGENCIES (Note 6)

NET POSITION (Note 7)

Unexpended Appropriations	<u>15,898</u>
Federal	
Equity of the U.S. Government	
Capital for Class A Stock	<u>528,200</u>
Non-Federal	
Investment of Others	
Capital Stock Class B	631,446
Capital Stock Class C	210,487
Restricted Capital	19,647
Patronage Capital Earned	<u>79,881</u>
Total Investment of Others	<u>941,461</u>
Cumulative Results of Operations	<u>(320)</u>
Total Net Position	<u>1,485,239</u>
Total Liabilities and Net Position	\$ <u>1,949,747</u>

The accompanying notes are an integral part of these statements.

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STATEMENT OF NET COST For the Year Ended September 30, 1998 (Dollars in thousands)

Costs:	
Program Costs	
Federal	\$ 41,012
Non-Federal	
Loans - Subsidy Expense	(13,479)
Other Program Costs	<u>343</u>
Total Program Production Costs	27,876
Less Earned Revenues (Note 8)	<u>143,639</u>
Net Cost of Operations	\$ <u>(115,763)</u>

STATEMENT OF CHANGES IN NET POSITION For the Year Ended September 30, 1998 (Dollars in thousands)

Net Cost of Operations	\$ 115,763
Financing Sources (other than exchange revenues):	
Appropriations Used	3,461
Transfers-out	(39,663)
Changes in:	
Capital Stock - Redemption of Class A Stock	(27,800)
Investment of Others	<u>2,415</u>
Net Results of Operations	54,176
Prior Period Adjustments (Note 9)	<u>9,647</u>
Net Change in Cumulative Results of Operations	63,823
Increase (Decrease) in Unexpended Appropriations	<u>3,241</u>
Change in Net Position	67,064
Net Position-Beginning of Period	<u>1,418,175</u>
Net Position-End of Period	\$ <u>1,485,239</u>

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STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 1998
(Dollars in thousands)

Budgetary Resources: (Note 10)

Budget Authority	\$ 132,326
Unobligated balances – beginning of period	286,925
Spending Authority from offsetting collections	258,055
Adjustments	<u>(72,191)</u>
Total budgetary resources	<u>605,115</u>

Status of Budgetary Resources:

Obligations incurred	203,839
Unobligated balances-available	146
Unobligated balances-not available	<u>401,130</u>
Total, status of budgetary resources	<u>605,115</u>

Outlays:

Obligations incurred	203,839
Less: actual spending authority from offsetting collections and actual adjustments	(293,881)
Obligated balance, net - beginning of period	882,109
Obligated balance transferred, net	0
Less: obligated balance, net - end of period	<u>(961,143)</u>
Total outlays	\$ <u>169,076</u>

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STATEMENT OF FINANCING For the Year Ended September 30, 1998 (Dollars in thousands)

Resources Used to Finance Operations

Budgetary	
Budgetary Resources Obligated for Items to be Received or Provided to Others	\$ 203,839
Less: Offsetting Collections, Recoveries of Prior-year Authority, and Changes in Unfilled Customer Orders	<u>(293,881)</u>
Net Budgetary Resources Used to Finance Operations	<u>(90,042)</u>
Non-budgetary	
Property Given to Others Without Reimbursement	<u>(14,261)</u>
Net Non-budgetary Resources Used to Finance Operations	<u>(14,261)</u>
Total Resources Used to Finance Operations	<u>(104,303)</u>

Resources Used to Fund Items Not Part of the Net Cost of Operations

Increase or (Decrease) in Budgetary Resources Obligated to Order Goods or Services Not Yet Received or Benefits Not Yet Provided	115,942
Budgetary Offsetting Collections Not Increasing Earned Revenue or Decreasing Expense	(72,346)
Adjustments Made to Compute Net Budgetary Resources Not Affecting Net Cost of Operations	(35,686)
Other Resources Used to Fund Items Not Part of the Net Cost of Operations (Note 11)	<u>5,564</u>
Total Resources Used to Fund Items Not Part of the Net Cost of Operations	<u>13,474</u>

Resources Used to Finance the Net Cost of Operations	<u>(117,777)</u>
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Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period

Expenses or Earned Revenue Related to the Disposition of Assets or Liabilities, or Allocation of Their Cost over Time	343
Expenses Which Will Be Financed with Budgetary Resources Recognized in Future Periods	320
Other Net Cost Components Not Requiring or Generating Resources During the Reporting Period (Note 11)	<u>1,351</u>
Total Components of Net Cost of Operations Not Requiring or Generating Resources During the Reporting Period	<u>2,014</u>

NET COST OF OPERATIONS	\$ <u>115,763</u>
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